

## **NCCSD Audit Committee**

### List of Pertinent DRA Items

State Directors are seeking a stronger partnership to the process and requirements of the Data Reliability Audit (DRA). For something that carries such significant impacts on state programs and their success to serve families, NCCSD regards this partnership and the outcomes of the DRA as a very high priority. The following list was requested by Deputy Commissioner Linda Boyer, which addresses the collective concerns, questions and asks of State Directors. We are pleased to provide this and hope it will lead to positive outcomes for all states regarding the DRA. We look forward to taking the next steps with OCSE on this.

1. Directors need a map of the DRA and DRR processes, from annual data requirements release, validating audit trails to exit conference, with timeframes.
2. Directors need definitions of roles of all parties who are or may be involved; Directors need this to include points of contact for on-the-spot guidance and post-report guidance to help understand an Auditors' perspective that would assist States to develop effective corrective action. Until recently, Auditors had always given insight and legitimately useful information that greatly benefits States in development of effective corrective action. No information has been offered to explain why this no longer provided.
3. Directors need to know and understand what Auditors use for guidance, including a description of how an error is determined in practice, i.e. what do Auditors use for information and evidence and what do they exclude? Is the Office of Audit using universal audit practice standards? Auditors appear to have much discretion, as evident by numerous states experiencing error findings in processes that haven't changed in more than a decade and that have survived numerous audits with no respective findings.
4. Directors expect Auditors will provide and explain authority and evidence that supports error findings, and will engage in dialogue regarding the finding. Directors expect the opportunity to partner with the Office of Audit and with OCSE Technical Assistance representatives to attempt resolution to disputed error findings *before* the audit is completed. If the Auditor cannot do this during the audit, then who does? Directors believe the disputed matter should remain open and the audit reasonably paused until evidence is received and understood leading to consent or an understanding that we disagree.
5. Directors believe OCSE has the "burden of proof" to support an error in the first instance, from which the State can either concur with the Office of Audit or contest. If evidence or information is ambiguous, Directors expect that the finding will either be voided or identified as a "management finding" that is not considered in the efficiency ratings.
6. Directors want to resolve error findings and have an opportunity to reverse them prior to OCSE's completion of the audit and report. When the State disagrees with an error finding or evidence (if any) used to support the finding, there is no true means to contest it. While Directors will certainly consent to error findings, and design corrective action that may include costly systems changes or legislation, it is extremely concerning when OCSE or the Office of Audit expects States to take such action as a result of findings that remain in dispute, yet provides no means to resolve the dispute and no consideration for the State's evidence, information and impacts.
7. Directors believe it is important to acknowledge that knowledge transfer does not necessarily occur for Directors or Auditors during attrition. States need a basic level training for new Directors and advance training for all Directors on the DRA and DRR, which would include the items mentioned in this list. Directors believe Auditors should receive the same trainings.